

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR

House Concurrent Resolution No. 17

97TH GENERAL ASSEMBLY

1171H.02C

2 **WHEREAS**, under federal Medicaid law, states are required to make disproportionate
3 share hospital (DSH) payments to hospitals for providing health care to a vast number of low-
4 income patients in an attempt to make up for financial losses by hospitals that do not receive
5 payment for services rendered to uninsured patients and because Medicaid provider payment
6 rates are far lower than those payments received by private insurance; and

7 **WHEREAS**, also under federal Medicaid law, the federal government reimburses states
8 for a portion of the state's Medicaid DSH expenditures based on each state's federal medical
9 assistance percentage and each state receives an annual DSH allotment; and

10

11 **WHEREAS**, Missouri hospitals reported providing \$1.1 billion in uncompensated care
12 to Missourians in 2011; and

13

14 **WHEREAS**, under the Affordable Care Act (ACA) of 2010, states are mandated to
15 expand Medicaid eligibility for persons with incomes up to 133% of the federal poverty level;
16 however, in June 2012, the United States Supreme Court found such mandate impermissible and
17 now allows each state to decide whether to implement such a Medicaid expansion; and

18

19 **WHEREAS**, under the ACA, under the assumption at the time the law passed that all
20 states were to implement the Medicaid expansion, the federal government is required to reduce
21 more than \$22 billion in DSH payments from 2014 to 2022; and

22

23 **WHEREAS**, it is estimated that Missouri will suffer cuts to both Medicaid and Medicare
24 hospital payments in the amount of \$3.3 billion from 2013 to 2020 with DSH cuts in the amount
25 generally of \$704 million from 2013 to 2019; and

26

27 **WHEREAS**, the federal cuts to DSH hospital payments are set to occur regardless of
28 whether a state has elected to implement the Medicaid expansion under the ACA - a decision the
29 United States Supreme Court found each state has a right to pursue; and

30

31 **WHEREAS**, Missouri hospitals have reported that it will be an "unsustainable situation
32 for hospitals" to absorb more than \$1 billion annually in uncompensated care while facing \$3.3
33 billion in cuts:

34

35 **NOW, THEREFORE, BE IT RESOLVED** that the members of the House of
36 Representatives of the Ninety-seventh General Assembly, First Regular Session, the Senate
37 concurring therein, hereby urge the federal government to continue to reimburse states for a
38 portion of the state's Medicaid DSH expenditures based on each state's federal medical assistance
39 percentage for those states that have chosen not to implement the Medicaid expansion; and

40

41 **BE IT FURTHER RESOLVED** that Governor Nixon work with the federal government
42 to ensure that the reduction to such DSH payments does not occur; and

43

44 **BE IT FURTHER RESOLVED** that the Chief Clerk of the Missouri House of
45 Representatives be instructed to prepare a properly inscribed copy of this resolution for the
46 President of the United States, the President Pro Tempore of the United States Senate, the
47 Speaker of the United States House of Representatives, the Secretary of the federal Department
48 of Health and Human Services, each member of the Missouri Congressional delegation, and
49 Governor Jay Nixon.